



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

January 21, 1992

RETURN RECEIPT REQUESTED
P 074 978 832

Mr. Thomas J. Peck
Thomas J. Peck & Sons, Inc.
76 South 600 East
Lehi, Utah 84043

Dear Mr. Peck:

Re: Notice of Cancellation, Irrevocable Standby Letter of Credit, Nephi Gypsum Quarry, M/023/011, Juab County, Utah

On January 15, 1992, this Division received a letter from Ms. Marylu Bingham of First Security Bank (copy attached). The letter indicates that the bank will not renew the \$15,900 Irrevocable Standby Letter of Credit (ISLOC) # _____, which is presently held as the form of reclamation surety for the Nephi Gypsum Quarry. The current expiration date for the ISLOC is May 9, 1992.

Pursuant to rule R647(613)-004-113.5, ***surety shall be required until such time as reclamation is deemed complete by the Division. Full release of surety shall be evidence that the operator has reclaimed as required by the Act.*** The Division cannot allow a large mining operation to continue operating without adequate reclamation surety. Therefore, we must receive a replacement form of reclamation surety **before** the current reclamation surety expires. Failure to file a replacement surety by May 1, 1992, will force us to begin forfeiture proceedings to collect the \$15,900 surety presently held by First Security Bank. We will also proceed to issue a Division and/or Board Order requiring immediate cessation of mining activities at the gypsum quarry.

By letter dated October 7, 1991, we provided you with a permit transfer form to help you begin the process of transferring the existing permit to the new operator of the Nephi Gypsum Quarry. You were advised that until the permit is

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Mr. Thomas J. Peck

M/023/011

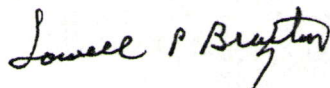
January 21, 1992

formally transferred and a replacement surety is provided by the new operator, you would remain accountable for all mining-related activities and ultimate reclamation of this mine site. To date, we have not received any response from you in this regard.

To avoid the possibility of bond forfeiture and subsequent shutdown of mining activities at the Nephi Gypsum Quarry, please provide this office with a replacement surety by the May 1, 1992 deadline. An alternative is to complete the permit transfer process with the new operator (including a replacement surety), within the same time frame.

Please contact me, Wayne Hedberg or Holland Shepherd of my staff should you require assistance in this regard. Thank you for your cooperation in resolving this permitting concern.

Sincerely,



Lowell P. Braxton
Associate Director, Mining

jb

Attachment

cc: Robert Steele

Jack Dansie

M023001.1